Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. BLILEY), the chairman of the Committee on Commerce.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the rule for consideration of H.R. 10, the Financial Services Act of 1997. Congress has tried 10 times since 1979 to repeal Glass-Steagall. It is time that the elected representatives of the Congress, rather than appointed regulators, make the legislative decisions affecting the powers of the financial services industry.

This rule eliminates the bulk of the thrift title from the legislation. This change will allow thrifts to continue to offer credit to customers for home ownership without having to become banks or to be subject to onerous restrictions on their authority. The revisions allow existing thrifts to continue operating exactly as they are now. It also preserves the ability of thrifts to be sold or transferred to new owners.

The rule also incorporates provisions of H.R. 1151, the Credit Union Membership Act, which is of a great interest to many members of credit unions across this country. This rule allows for consideration of repeal of Glass-Steagall as well as a number of amendments from Members on both sides of the aisle. I urge its adoption.

CALL OF THE HOUSE

Mr. SOLOMON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device and the following Members responded to their names:

[Roll No. 89]

Abercrombie	Brown (CA)	Cunningham
Aderholt	Brown (OH)	Danner
Allen	Bryant	Davis (FL)
Andrews	Bunning	Davis (IL)
Archer	Burr	Davis (VA)
Armey	Burton	Deal
Bachus	Buyer	DeFazio
Baesler	Callahan	DeGette
Baldacci	Calvert	Delahunt
Ballenger	Camp	DeLauro
Barcia	Campbell	Deutsch
Barr	Canady	Diaz-Balart
Barrett (NE)	Capps	Dickey
Barrett (WI)	Cardin	Dicks
Bartlett	Carson	Dingell
Barton	Castle	Dixon
Bass	Chabot	Doggett
Bateman	Chambliss	Dooley
Becerra	Chenoweth	Doolittle
Bentsen	Christensen	Doyle
Bereuter	Clayton	Dreier
Berman	Clement	Duncan
Bilbray	Clyburn	Dunn
Bilirakis	Coble	Edwards
Bishop	Coburn	Ehlers
Blagojevich	Collins	Ehrlich
Bliley	Combest	Emerson
Blumenauer	Condit	Engel
Blunt	Conyers	English
Boehlert	Cook	Ensign
Boehner	Cooksey	Eshoo
Bonilla	Costello	Etheridge
Bonior	Cox	Evans
Borski	Cramer	Everett
Boswell	Crane	Ewing
Boucher	Crapo	Farr
Boyd	Cubin	Fazio
Brady	Cummings	Filner
Foley	Levin	Rogan
Forbes	Lewis (CA)	Rogers
Ford	Lewis (GA)	Rohrabacher
Fossella	Lewis (KY)	Ros-Lehtinen
Fox	Linder	Rothman
Franks (NJ)	Lipinski	Roukema
Frelinghuysen	Livingston	Roybal-Allard
Frost	LoBiondo	Rush
Furse	Lofgren	Ryun
Gallegly	Lowey	Sabo
Ganske	Lucas	Salmon
Gejdenson	Luther	Sanchez
Gekas	Maloney (CT)	Sanders
Gephardt	Maloney (NY)	Sandlin
Gibbons	Manzullo	Sanford
Gilchrest	Mascara	Sawyer
Gillmor	Matsui	Saxton
Gilman	McCarthy (MO)	Scarborough
Goode	McCarthy (NY)	Schaefer, Dan
Goodlatte	McCollum	Schaffer, Bob
Goodling	McCrery	Sensenbrenner
Gordon	McDermott	Serrano
Goss	McGovern	Sessions
Graham	McHale	Shadegg
Granger	McHugh	Shaw
Green	McInnis	Shays
Gutierrez	McIntosh	Sherman
Gutknecht	McIntyre	Shimkus
Hall (OH)	McKeon	Sisisky
Hall (TX)	McKinney	Skaggs
Hamilton	Meehan	Skeen
Hansen	Meek (FL)	Skelton
Harman	Meeks (NY)	Slaughter
Hastert	Menendez	Smith (MI)
Hastings (FL)	Metcalf	Smith (NJ)
Hastings (WA)	Mica	Smith (OR)
Hayworth	Miller (CA)	Smith (TX)
Hefley	Miller (FL)	Smith, Linda
Hefner	Minge	Snowbarger
Herger	Mollohan	Snyder
Hill	Moran (KS)	Solomon
Hilleary	Moran (VA)	Souder
Hilliard	Morella	Spence
Hinchey	Murtha	Spratt
Hinojosa	Myrick	Stabenow
Hobson	Nadler	Stearns
Holden	Neal	Stenholm
Hooley	Nethercutt	Stokes
Horn	Neumann	Strickland
Hostettler	Ney	Stump
Houghton	Northup	Stupak
Hoyer	Norwood	Sununu
Hulshof	Nussle	Talent
Hunter	Oberstar	Tanner
Hutchinson	Obey	Tauscher
Hyde	Olver	Tauzin
Inglis	Ortiz	Taylor (MS)
Istook	Owens	Taylor (NC)
Jackson (IL)	Oxley	Thomas
Jenkins	Packard	Thompson
John	Pallone	Thornberry
Johnson (CT)	Pappas	Thune
Johnson (WI)	Parker	Thurman
Johnson, E. B.	Pascrell	Tiahrt
Johnson, Sam	Pastor	Torres
Jones	Paul	Towns
Kanjorski	Paxon	Traficant
Kasich	Pease	Turner
Kelly	Peterson (MN)	Upton
Kennedy (MA)	Peterson (PA)	Velazquez
Kennedy (RI)	Petri	Vento
Kildee	Pickering	Visclosky
Kilpatrick	Pickett	Walsh
Kim	Pitts	Wamp
Kind (WI)	Pombo	Watkins
King (NY)	Pomeroy	Watt (NC)
Kingston	Porter	Watts (OK)
Klink	Portman	Weldon (FL)
Klug	Poshard	Weldon (PA)
Knollenberg	Pryce (OH)	Weller
Kolbe	Quinn	Wexler
Kucinich	Radanovich	Weygand
LaFalce	Rahall	White
LaHood	Ramstad	Whitfield
Lampson	Redmond	Wise
Lantos	Regula	Wolf
Largent	Reyes	Woolsey
Latham	Riley	Wynn
LaTourette	Rivers	Yates
Lazio	Rodriguez	Young (AK)
Leach	Roemer	Young (FL)

□ 1732

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). On this rollcall, 387 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 10, FINANCIAL SERVICES ACT OF 1998

Mr. FROST Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, the Republican leadership wants the United States House of Representatives to play Russian roulette with the future of the credit union industry. We refuse to play that game.

One month ago, the Supreme Court cast in doubt the future viability of federally chartered credit unions; and men and women of goodwill in both the Republican and Democratic parties said, we have an enormous problem and we must come up with an immediate solution. Working together, working cooperatively, working collegially, we came up with that solution, an excellent solution that passed, I believe, unanimously by voice vote last Thursday.

Some have now said that what the Republican leadership has done in joining together this unanimously passed credit union bill, which could pass the House floor tonight or tomorrow by voice vote in my judgment if brought up separately, is give credit union members a first-class ticket on the ship Titanic. We do not know if that is going to be the case. Because if this should pass, it would be a long sail; and it might go down.

But we in the Democratic Party do not wish to play Russian roulette with the future of the credit union industry. We have the solution. We want to pass that solution today independently and solve the problem once and for all.

With respect to H.R. 10, who opposes it? The consumer groups oppose it. Who else opposes it? The administration opposes it. As a matter of fact, the most recent statement of opposition says that the Treasury Department will recommend that the President veto the bill in its present form, and that is the bill that the Republican leadership wishes to attach the credit union bill to. We reject that approach.

There are so many problems with H.R. 10. Now, a rule ought to permit us to deal with those problems, the problems of the National Bank Charter in particular, the problems of the Thrift Charter. The rule does not permit even one amendment on any of the issues the Treasury says will compel it to recommend a veto with respect to the National Bank Charter and the Thrift Charter. Not one amendment is permitted on the National Bank Charter or the Thrift Charter by this Committee on Rules.

This rule must be rejected.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON), the chairman of the Committee on Rules, has 15½ minutes remaining. The gentleman from Texas (Mr. FROST) has 23½ minutes remaining.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Claremont, California, (Mr. DREIER), vice chairman of the Committee on Rules, who is a very valuable Member and has formerly served on the Committee on Banking and Financial Services. He and I do not always agree on these banking matters, but I yield him such time as he may consume.

Mr. DREIER. Mr. Speaker, I thank my friend from Glens Falls, the distinguished chairman of the committee, for yielding me the time.

I do rise in support of this rule. The distinguished chairman of the Committee on Banking and Financial Services, the gentleman from Iowa (Mr. LEACH), and the gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce, have worked long and hard to produce what many believe to be a fragile compromise to bring about long overdue reforms to the financial services industry; and, for that reason, they deserve to be heard; and that is why I am going to be voting in support of the rule.

At the same time, as has been said during this debate earlier, I have more than a few very serious concerns about H.R. 10 that I do not believe can be fixed by the amendments that have been made in order under this bill. I think they could have if we had been able to make a substitute that I was proposing in order, but I do not believe they can be fixed under the structure that we now have.

Among those many concerns is the fact that H.R. 10 imposes massive new regulatory burdens on financial institutions, destroys a very valuable private sector charter, and encourages excessive litigation.

We are going to hear a lot today about how functional regulation will create a more level playing field for financial services firms to compete. But, in reality, Mr. Speaker, functional regulation does little more than saddle already highly regulated companies with additional layers of government regulation and bureaucracy in an effort to protect markets of less competitive firms. It responds to the parochial interests of government regulators rather than the preferences of consumers, which really should be our top priority here.

In short, this is really the Japanization of our financial services industry. By preventing the chartering of any new unitary thrift holding companies, H.R. 10 also punishes sound, profit-making private-sector companies because another industry wants them obliterated as a competitor.

Because H.R. 10 confers a competitive advantage to so-called grandfathered thrifts, Congress will be under constant pressure to take the next step, which is to impose a Soviet-style growth cap on that industry like that which was imposed on the non-bank banks 11 years ago. Imagine if 10 years ago, as computer makers began to embrace the Windows operating system, Congress mandated that all computers be loaded only with a DOS operating system. The cry of outrage would be deafening.

I also find it troubling that H.R. 10 attempts to hide behind the mantle of States' rights in an effort to perpetuate an obsolete regulatory system that is destructive to the economy. The U.S. has six major, well-entrenched financial regulators and a duplicative set of regulators in all 50 States. In the name of States' rights, H.R. 10 significantly increases uncertainty over the scope of State regulation of insurance. This, in turn, will lead to costly and unnecessary litigation. It will increase the insurance products to consumers, again the group that should be our top priority.

If my colleagues agree that excessive litigation is an ever-tightening noose around the neck of our economy, they should think twice about supporting a bill that promises litigation against any bank that attempts to devise innovative financial products and services for its customers, the consumer.

Mr. Speaker, in early 1995, the gentleman from Iowa (Mr. LEACH) began the process that eventually led to H.R. 10 by focusing initially on a narrow Glass-Steagall repeal bill that was devoid of the regulatory shenanigans and government intervention that characterizes this current bill. There was a fear that efforts to pass comprehensive legislation to modernize the financial services industry would get bogged down by legislative industry and regulatory turf battles.

Well, Mr. Speaker, those fears have come true once again. Instead of letting the marketplace determine winners and losers, H.R. 10 attempts to legislate who can compete with whom and who can produce and sell what. It is bad for consumers; and, Mr. Speaker, it is therefore bad for our economy.

However, as I said, the authors of this measure do deserve to be heard. So I do support the rule, but I will oppose this bill when it comes forward.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. DINGELL).

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, one of the problems of this bill has been put together by two categories of people. First of all, a bunch of people out there in the business world think they are going to cut a fat hog free from exemptions and free from responsibilities and free from good sense controls to ensure that there would be fair behavior and proper behavior in the marketplace. The other is a group of people who do not understand what is going on in the financial world.

Financial world people think it runs on money. It does not. It runs on public confidence. And as long as we remember that and craft our laws in the proper fashion, we will have the confidence of the public and we will have the most successful financial operation in the whole world.

I rise not in anger but really in sorrow. And I want to say that I have tried to work with my Republican colleagues to cut a deal to preserve certain essential protections for American investors, for American consumers, and for the American financial community and industry.

☐ 1745

Regrettably, I did not do that. I was not successful. But in any event, we are now confronted with whether or not this rule should be granted. It is with regret I suggest to my colleagues that the rule ought not be granted and, rather, that we ought to proceed to go back to the drawing board and come up with a better piece of legislation, which protects consumers, which protects investors, and which protects the confidence of the American people in what is the most extraordinarily successful financial community, financial undertaking in the history of the world.

Let us look at some of the defects in this. One of the most noteworthy is that the bill, under the rule, we would find would preempt State insurance commissioners from regulating the solvency of insurance companies. I have an amendment that would have corrected this problem. The rule does not permit me to offer it. Certainly to attack the solvency of the insurance world and the insurance industry is not the way to enhance confidence or, indeed, to ensure the safety of American investing public.

It was only about 10 years ago that lax regulation allowed the savings and loan industry to become insolvent, and that cost the American taxpayer more than $150 billion. I wonder if we are prepared, then, to gamble with the taxpayers' money once again, this time on insurance. If Members vote for this rule, that is what is going to be moving forward in the financial community.

Does it surprise anyone that the managers amendment would also preempt State securities administrators from enforcing antifraud statutes to protect investors? I have an amendment that would have fixed this problem, but the rule does not allow me to offer it.

Last Congress we enacted legislation that confirmed State responsibility for enforcement of security antifraud statutes, simply because they do a good job. Many of these issues are local in character, and because we do not have enough money to put into Federal responsibilities.

Are we going to allow that authority to be taken away from the States? I suggest not. My counsel to my colleagues is, let us not vote for a bad rule; let us reject the rule and go on.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to my very good friend and classmate, the gentleman from Ohio (Mr. OXLEY), who worked long and hard as chairman of the subcommittee.

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I rise in support of this rule.

Let us take a look at where we have been. We have been, the last many years, controlled in this financial services industry essentially by court decisions and by fiat from unelected regulators and bureaucrats. Is that the way we want our financial services industry to be conducted? Or do we want to have the Congress of the United States, who is responsible to the voters and the citizens of this country, to make these ultimate decisions?

If we do not pass this rule, we do not have the opportunity to have Congress step in where courts and regulators have always penetrated and give us an opportunity to set the basic framework for financial services into the next century. That is really what this debate is all about.

But we cannot get to that debate, no matter what our particular position is, unless we pass this rule. This has been heavy lifting. Those of us who have worked in the Committee on Banking and Financial Services and the Committee on Commerce trying to craft compromises have worked long and hard to get to this day.

In my own Subcommittee on Finance and Hazardous Materials, we had a historic agreement between two warring factions that had gone on for years and years, the independent insurance agents and the banks. The insurance agents finally recognized that today banks are going to be able to sell insurance, and banks finally recognized that they had to follow a certain set of guidelines and be regulated by State insurance regulators. We came to that historic agreement, something that had held up this legislation time and time and time again.

So we have seen these compromises made, and we have seen this product come together for the first time in 10 attempts by this recent Congress to reform Glass-Steagall. The WTO agreement that was recently signed in Geneva opens up markets all over the world. Countries all over the world are liberalizing their markets and allowing Americans and other companies to come in and compete for insurance.

We gave up nothing in those agreements in WTO, but other countries throughout the world, 100 of them, have agreed to open up their markets, many of which have been closed from time immemorial.

Are we going to, in this Congress, fail to pass a rule and fail to pass a bill that would modernize our financial structure at the same time we see the rest of the world coming our way and opening up their markets? I hope not. There has been too much work, too much sincere effort at compromise to get us where we are today to throw it all away and say Congress is incapable of dealing with these difficult issues.

I ask all of my colleagues on both sides of the aisle, vote for this rule. Give us an opportunity to explain how effective this bill can be in providing a modern financial services industry that will be the envy of the world.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I rise in strong opposition to the rule. Not because there is substantive differences with regards to the bill itself, H.R. 10, where, as my colleague referred to it as Titanic, no, not because of that, but this rule does not permit us to deal with the major substantive issues that this body needs to deal with.

This bill was heard in neither the Committee on Commerce nor the Committee on Banking and Financial Services. This bill is an assault on the committee process in this House. This was put together by a few individuals and excluding those that disagree with them; and now they are surprised and say to us, in order to debate it, we have to do it according to this rule.

What does this rule do? First of all, it hijacks the credit union bill, which is a noncontroversial bill that could pass and should pass. It is urgently needed. It should pass on suspension. But what this rule does is said we cannot talk about and we cannot vote and will not vote on the thrift charter and the character of the thrift charter. This rule says we cannot and will not talk about the credit union bill, even though it incorporates it into this. No vote. No consideration.

This rule suggests that we will not vote on something called an operating subsidiary in terms of the corporate structure that a financial institution may choose.

This rule dismisses something called deference in terms of what regulators have, both State and Federal, and sets up some cockamamy type of court procedure in terms of how we are going to arrive at that. To suggest it is going to eliminate the court, this sends an engraved invitation to the courts to deal with this issue in a highly unusual and, I think, yet ineffectual matter.

On and on this bill goes and offers a few amendments on topics that have little substantive effect in terms of what was going on, which were never heard. This bill certainly was opposed by consumer groups, opposed by the administration, opposed, of all groups, by the American Bankers Association. And Republicans are bringing this bill up here? I cannot believe it.

In fact, if we pass this bill, we will be taking a step backward, not forward. This does violence and undercuts and atrophies the National Bank Charter. We are suggesting we are going to modernize banks at the same time we are doing undercutting one of the most innovative charters we have in terms of providing opportunities for financial growth in this economy.

This will be a step backwards from where we are going in terms of facing the problems and providing the tools that our economy needs in order to be successful.

This rule needs to be defeated. If we send this over to an icy death in the Senate, we will envy progress that can be made and should be made on financial modernization in this session. Members should vote no on this and reject this type of tactics. We ought to know there is something wrong with it. If Members read all 350 pages and they think they understand it, then vote for it. But if they do not, they better not vote for it.

Ask your leadership to provide some leadership and to provide the opportunity to deal with the people's business and not to jam these things through on a partisan manner. But to start calling for a partisan vote in terms of a financial modernization bill, I will tell my colleagues there is something dramatically wrong with the direction they are going. Vote no.

Mr. Speaker, I rise in opposition to this rule on H.R. 10. Why am I opposed? Let me count the ways.

First, I object strenuously to this attempt to hijack H.R. 1151 by linking it to H.R. 10. Regardless of the underlying merit of H.R. 10, regardless of where one might stand on the politics or the process that has brought us here today, there is no rational reason to link this 350 plus pages of controversial bill with the must-pass credit union legislation. This rule must be viewed as an attempt to slow down, if not imperil, the solution to the credit union membership dilemma resulting from the Supreme Court's February ruling. There is no other way to view it. If this rule passes, I urge that the motion to recommit contain instructions to pass only the credit union legislation as passed by the Banking Committee last week.

Many Members filed many amendments to this bill. Yet we see only five, and really only three substantive, amendments before us under this. There definitely should be time and certainly accommodation to address the key issues on this bill. There should be an opportunity to improve this bill. But against the backdrop of a self-imposed deadline and the excuse for urgent action on the credit union issue, this House and the public are to be short changed on even a debate, much less a fair vote on the policies at hand.

The most important amendment discussed last night in the Rules Committee was the LaFalce Vento/Bentsen amendment to reinstate and restore the Banking Committee's financially viable and safe operating subsidiary for national banks. The operating subsidiary amendment raised issues of great import to the overall issue of financial modernization and to the Members of the Banking Committee and the Administration. But adoption of this deficient rule would mean that amendment won't even be considered. We can't vote on an alternative corporate structure for banks, or stop the shredding of the national bank charter the policy in the H.R. 10 that is before the House. This rule on H.R. 10 denies all of us a vote on the key issue in this bill.

No, we can't discuss substance on the future of financial services in this country. But we can discuss an amendment—for twenty minutes—that would gut the Community Reinvestment Act for banks with less than $250

million in assets, an issue that has nothing to do with financial institution modernization. This amendment was not offered in either Committee's consideration and certainly represents yet another poison pill for this rule and H.R. 10, or should I say the H.R. Titanic.

Mr. Speaker, I have worked long and hard and in good faith on a financial services modernization bill for many years as have most of my colleagues on the Banking and Financial Services Committee. This rule and this bill make a mockery of a deliberate consideration and of the contributions of many Members. This is a bad faith effort to avoid issues that this House should consider. This measure was reported from the Banking Committee over nine months ago. This rule and this H.R. 10 has made partisan a bill that was a balanced, bipartisan effort when it passed the Banking Committee on June 20, 1997 with the support of 10 Democrats. A version of H.R. 10 was also passed by the House Commerce Committee and our two committees began work last fall on a compromise.

But the fact is H.R. 10 for the past five months has been a moving target. Just last night, March 30th, the 350 page version that is before the House was finalized. If Members are comfortable with such a procedure and the resulting substance, then we could dispense with the committees and let a handful of the select and self-appointed decide what we will vote upon and what we can debate. If you are willing to dismiss the committees in favor of such a procedure, just vote for this rule. And I hope you can explain this 350 page bill and why banks and others are cut off at the knees and impacted adversely. I cannot and I will vote no on this pseudo modernization bill. I urge you to do the dame.

Vote ''no'' on the rule at the very least to provide the time to pull together a serious debate and a balanced bill for consideration by the House. Vote no on this rule and send a message to the Republican Leadership to schedule the credit union bill for the suspension calendar tomorrow, instead of sending it down to the icy waters of a protracted consideration with the other body. Vote no on this rule.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce for a response.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding me this time. I had not planned to speak again, but after the last speech by the gentleman in the well, the gentleman from Minnesota, I feel obligated to do so.

The gentleman worked long and hard in his committee. He produced a bill with a by-two-vote majority, and the chairman reserved the right to vote against it on the floor.

The insurance agents were opposed. The insurance companies were opposed. The brokers were opposed. The banks were opposed. Indeed, the banks have been opposed to everything we have tried to do ever since day one. Why? Because they get everything they want from the regulators. They do not want a bill.

I will tell my colleagues, if we do not get a bill in this Congress before we get back to it or our successors get back to it in the next Congress, the regulators will have given even more authority, and it will be even harder to move a bill. So it rings kind of hollow.

If we do not vote for this rule, we do not get to consider the underlying bill and the various amendments. And we must remember, even as it goes across the aisle to the other body, they will have to be considered in committee. They will have to be considered on the floor. There will be a conference which the gentleman from Minnesota will be a member of. There will be opportunities to further improve the bill.

But if we stop it tonight, as we can do if we vote against this rule, there will be no bill this year. It will be even harder to move in the next year.

Mr. FROST. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose this rule for the unfortunate and unfair linking of H.R. 1151 and the very bad provisions eliminating the Community Reinvestment Act.

I rise in opposition to the rule on H.R. 10, the Financial Services Competition Act of 1997. While I support the provisions dealing with Credit Unions, I cannot support the rule on this bill as it stands, coupled with H.R. 1151.

The rule joins H.R. 1151, non-controversial credit union legislation, with H.R. 10. This unnecessarily links H.R. 1151, the overwhelmingly bipartisan supported credit union legislation, to the more controversial H.R. 10, thus endangering passage of H.R. 1151.

H.R. 1151 was passed out of the Banking Committee by voice vote last week and has received the bipartisan support of the leadership both in the House and Senate.

There is no question that the credit union legislation would pass both Houses of Congress this year and be signed into law by the President. Therefore, H.R. 1151 should not be jeopardized by the more controversial H.R. 10.

In addition, H.R. 10 is a creation of the Republican leadership with no input from democratic Members. In their effort to patch together compromise legislation from bills marked up by the Commerce and Banking Committee, the Republican leadership has stripped the bill of important consumer protection amendments.

While the Dingell/LaFalce amendment that was made in order represents some key Democratic consumer protection provisions, there were a number of other important Democratic consumer protection amendments that were not made in order. Instead, the rule makes in order a Bachus amendment that would strip essential Community Reinvestment Act provisions, an amendment that was not considered by either the Banking or Commerce Committees.

Based on the linkage of the non-controversial credit union legislation and the lack of Democratic consultation, I oppose this rule.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, a year ago, in a bipartisan effort, a young man from Ohio joined me to put together a bill to solve the problem of allowing American credit unions to continue to survive in anticipation of the Supreme Court ruling that happened a little more than a month ago. That bill was fairly simple. Here is the copy of it.

As of this moment, we have 207 cosponsors in this House in support of H.R. 1151. But understanding the legislative process, H.R. 1151 came to the hearing process and the markup; and, ultimately, last week, H.R. 1151 survived as a bill of approximately 31 pages that did not satisfy anyone completely but satisfied enough of the Members of this House that almost the majority are still cosponsors of H.R. 1151.

And if left to come to this floor, I have not any doubt it would survive on a voice vote under suspension to be sent on to the Senate and with a good opportunity to be taken up to the Senate and passed as it is presently structured and sent on to the President for his signature.

The indication today from the notification we have received from the Secretary of the Treasury, we would have his recommendation that the President sign the bill and put it into law, thus freeing the credit unions from captivity.

Instead, that 35-page bill has been weighed down by the Committee on Rules tonight by 350 pages of some of the most contentious financial modernization, if that is what it can be called, legislation that we can imagine.

The thing that disturbs me about the House of Representatives when they do something like this is they try and defy the rules of physics. There is no way this little skinny bill is going to carry this heavy contentious bill into law.

So the ultimate result will be that we subject the 70 million American members of credit unions that we may end up, over the next 42 days of legislative days, without the rescue, without the life jacket that is absolutely necessary that could be obtained if the leadership and the Committee on Rules would just free H.R. 1151.

□ 1800

Now I guess there are people like me that this jointure is trying to attract. I have told the leadership on both sides of the aisle that in the present state of what I know about H.R. 10, the modernization bill, not even if the Deity himself came to Earth and asked me to vote for that bill could I support it.

I am talking to the 207 Members now that are now cosponsors of 1151. It is time that we assert our right, by voting ''no'' on this rule, to free 1151 to go through the process and assure 70 million Americans that they will have the right to exercise their free choice in financial services in this country, and then perhaps, I suggest to the leadership that we take the process that was

carried on to come up with a compromise 1151 and apply those same tactics to trying to solve the financial modernization bill.

There are amendments that were offered that would have given great strength to that bill. The gentleman from Michigan (Mr. DINGELL) indicated desires, the gentleman from New York (Mr. LAFALCE) indicated desires, the gentleman from California (Mr. DREIER) indicated desires, amendments that would help that bill. Instead, H.R. 10 is going to sink 1151 unless we are smart enough today to vote ''no'' on this rule.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

In all my 31 years in government I have never seen anything happen like is happening today. The phones are ringing off the hook, including my own, and they are coming from the friendly banker, and this lobbying effort is something I have never seen in my life happen here, and the country is going to regret it because this body is not going to work its will.

Mr. Speaker, I withdraw the resolution from consideration.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from New York (Mr. SOLOMON) withdraws House Resolution 403.

ANNOUNCEMENT OF COMMITTEE ON RULES MEETING REGARDING BESTEA

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, I have an announcement.

Mr. Speaker, the Committee on Rules will meet at 6:30 sharp to consider the rules resolution on BESTEA, and I would hope that all Members would be there because this will be the floor action for tomorrow.

CERTIFICATION TO CONGRESS REGARDING LONG-RANGE AIR POWER—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-236)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Appropriations and the Committee on National Security, and ordered to be printed:

To the Congress of the United States:

In accordance with the Department of Defense Appropriations Act, 1998, Public Law 105–56 (1997), and section 131 of the National Defense Authorization Act for Fiscal Year 1998, Public Law 105–85 (1997), I certify to the Congress that no additional B–2 bombers should be procured during this fiscal year.

After considering the recommendations of the Panel to Review Long-Range Air Power and the advice of the Secretary of Defense, I have decided that the $331 million authorized and appropriated for B–2 bombers in Fiscal Year 1998 will be applied as follows: $174 million will be applied toward completing the planned Fiscal Year 1998 baseline modification and repair program and $157 million will be applied toward further upgrades to improve the deployability, survivability, and maintainability of the current B–2 fleet. Using the funds in this manner will ensure successful completion of the baseline modification and repair program and further enhance the operational combat readiness of the B–2 fleet.

The Panel to Review Long-Range Air Power also provided several far-reaching recommendations for fully exploiting the potential of the current B–1, B–2, and B–52 bomber force, and for upgrading and sustaining the bomber force for the longer term. These longer term recommendations warrant careful review as the Department of Defense prepares its Fiscal Year 2000–2006 Future Years Defense Program.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 31, 1998.*

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

THE MARRIAGE TAX ELIMINATION ACT

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, the question of the day is why is the enactment of the Marriage Tax Elimination Act so important? I believe the best way to answer that question is with a series of questions. Do Americans feel that it is fair that our Tax Code imposes a higher tax on marriage? Do Americans feel that it is fair that 21 million average working married couples pay an average of $1,400 more in higher taxes than an identical couple living together outside a marriage? Do Americans feel it is right that our Tax Code actually provides an incentive to get divorced?

The answer is clear. Of course not. It is not only wrong, it is unfair. It is immoral that our Tax Code punishes marriage.

The south side of Chicago, in the south suburbs, $1,400, the average marriage tax penalty, is 1 year's tuition at Joliet Junior College. It is 3 months of child care at a local child care center. It is real money for real people.

The Marriage Tax Elimination Act has 238 cosponsors, effectively eliminating the marriage tax penalty. Let us eliminate the marriage tax penalty. Let us do it now.

Mr. Speaker, I rise today to highlight what is arguably the most unfair provision in the U.S. Tax code: the marriage tax penalty. I want to thank you for your long term interest in bringing parity to the tax burden imposed on working married couples compared to a couple living together outside of marriage.

In January, President Clinton gave his State of the Union Address outlining many of the things he wants to do with the budget surplus.

A surplus provided by the bipartisan budget agreement which: cut waste, put America's fiscal house in order, and held Washington's feet to the fire to balance the budget.

While President Clinton paraded a long list of new spending totaling at lease $46–$48 billion in new programs—we believe that a top priority should be returning the budget surplus to America's families as additional middle-class tax relief.

This Congress has given more tax relief to the middle class and working poor than any Congress of the last half century.

I think the issue of the marriage penalty can best be framed by asking these questions: Do Americans feel its fair that our tax code imposes a higher tax penalty on marriage? Do Americans feel it fair that the average married working couple pays almost $1,400 more in taxes than a couple with almost identical income living together outside of marriage? Is it right that our tax code provides an incentive to get divorced?

In fact, today the only form one can file to avoid the marriage tax penalty is paperwork for divorce. And that is just wrong!

Since 1969, our tax laws have punished married couples when both spouses work. For no other reason than the decision to be joined in holy matrimony, more than 21 million couples a year are penalized. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it's wrong that our tax code punishes society's most basic institution. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with children. In many cases it is a working women's issue.

Let me give you an example of how the marriage tax penalty unfairly affects middle class married working couples.

For example, a machinist, at a Caterpillar manufacturing plant in my home district of Joliet, makes $30,500 a year in salary. His wife is a tenured elementary school teacher, also bringing home $30,500 a year in salary. If they would both file their taxes as singles, as individuals, they would pay 15%.

MARRIAGE PENALTY EXAMPLE IN THE SOUTH SUBURBS

	Machinist	School teacher	Couple
Adjusted gross income	$30,500	$30,500	$61,000
Less personal exemption and standard deduction	6,550	6,550	11,800
Taxable income	23,950	23,950	49,200
Tax liability	3,592.5	3,592.5	8,563
Marriage Penalty	.....	.....	1,378

But if they chose to live their lives in holy matrimony, and now file jointly, their combined income of $61,000 pushes them into a higher tax bracket of 28 percent, producing a tax penalty of $1400 in higher taxes.

On average, America's married working couples pay $1,400 more a year in taxes than individuals with the same incomes. That's serious money. Everyday we get closer to April 15th more married couples will be realizing that they are suffering the marriage tax penalty.